

EXHIBIT A

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EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

WILLIAM SPRADLIN and SHIRLEY)
 SPRADLIN; EMMA ODUCA; SALLY KIM;)
 ELLIOT SPRUNG and DAVID SPRUNG;)
 TDF PROPERTIES, LLC; and KUNIKO)
 ISHIDA; individually and on behalf of all)
 persons similarly situated;)

Plaintiffs,

vs.

TRUMP RUFFIN TOWER I LLC, a Delaware)
 Limited Liability Company; and DOES 1)
 through 100, inclusive,)

Defendants.

CASE NO.:

A57 2059

DEPT. NO.:

X

CLASS ACTION COMPLAINT FOR:

(1) VIOLATION OF THE SECURITIES ACT
 OF 1933 (Section 12(a)(1))

(2) VIOLATION OF THE SECURITIES ACT
 OF 1933 (Section 12(a)(2))

(3) VIOLATION OF N.R.S. 90.460

(4) VIOLATION OF N.R.S. 90.570

(5) VIOLATION OF N.R.S. 598, *et seq.*

(6) FRAUDULENT
 MISREPRESENTATION;

(7) NEGLIGENT MISREPRESENTATION;

FILED

SEP 22 3 01 PM '08

E. J. F.
 CLERK OF THE COURT

-) (8) FRAUD IN THE INDUCEMENT;
-)
-) (9) FRAUDULENT CONCEALMENT; and,
-)
-) (10) VIOLATION OF THE INTERSTATE
-) LAND SALES FULL DISCLOSURE ACT;
-) 15 U.S.C. § 1703(a)(2)
-)
-) **ARBITRATION EXEMPTION**
-) **CLAIMED:**
-)
-) **1. DAMAGES IN EXCESS OF \$50,000**
-) **PER PLAINTIFF**
-) **2. ACTION PRESENTS SIGNIFICANT**
-) **ISSUES OF PUBLIC POLICY**
-) **3. CLASS ACTION**
-) **4. ARBITRATION PROVISION**
-) **UNCONSCIONABLE**

CLASS ACTION COMPLAINT

COMES NOW, Plaintiffs WILLIAM SPRADLIN and SHIRLEY SPRADLIN; EMMA ODUCA; SALLY KIM; ELLIOT SPRUNG and DAVID SPRUNG; and TDF PROPERTIES, LLC, and KUNIKO ISHIDA, who bring this action on behalf of themselves, and on behalf of all similarly situated persons (collectively "Plaintiffs"), against Defendants TRUMP RUFFIN TOWER I, LLC; and DOES 1 through 100, inclusive, (hereinafter collectively referred to as "Defendants"), and allege, based upon information and belief, except where otherwise stated, as follows:

NATURE OF THE ACTION

1. The instant Complaint involves a scheme among the Defendants through which Plaintiffs were illegally and fraudulently induced into purchasing the air rights to condominium-hotel room units as investment securities (the "Securities") at the TRUMP INTERNATIONAL HOTEL & TOWER, LAS VEGAS.

2. The Plaintiffs all made a 20% deposit to acquire interests in the Securities upon closing. Plaintiffs all executed Purchase Agreements contemplating a closing on their unit at a future date for a specific price. The Defendants have not to date registered the certificate of sale of the

1 Securities as a security as required by law and claim no exemption therefrom. Plaintiffs, therefore,
 2 on behalf of themselves and all others similarly situated seek rescission of their contract to purchase,
 3 restitution of their deposited funds and for damages according to proof and as allowed by law. The
 4 reasons the air rights to the hotel condominium units are securities are as follows:

5 (a) the value of the units are all dependent upon the success or failure of the TRUMP
 6 INTERNATIONAL HOTEL & TOWER LAS VEGAS branded enterprise
 7 (hereinafter referred to as "TRUMP LAS VEGAS");

8 (b) Defendants' sales promotions of the investment in the hotel rooms gave rise to a
 9 reasonable understanding that a valuable benefit, over and above the entire amount
 10 paid for the physical air rights to the hotel rooms, would accrue to the Plaintiffs as
 11 a result of the operation of the enterprise as a TRUMP LAS VEGAS branded
 12 enterprise pursuant to the Trump Rental Program;

13 (c) the Plaintiffs, executed the Purchase Agreements with the clear intent to join the
 14 TRUMP rental program and did not intend to receive the right to exercise any
 15 practical or actual control over the managerial decisions of the TRUMP LAS
 16 VEGAS hotel enterprise; and,

17 (d) The Plaintiffs made down payments in the TRUMP LAS VEGAS enterprise by
 18 making a series of deposits to Defendants representing 20% of the purchase price of
 19 each Security with an anticipated future closing.

20 3. Defendants used both inside and outside sales teams to sell the Securities.

21 4. Central to the Defendants' marketing of the Securities was the representation that the
 22 Securities would generate substantial amounts of revenue to the purchaser. Defendants' sales teams
 23 induced the sale of the Securities through sales presentations that raised the Plaintiffs' expectations
 24 of the economic benefits of the net rental income to be obtained from the Securities branded as
 25 Trump International Hotel & Tower Las Vegas hotel rooms through the Trump Rental Program. The
 26 sales presentations included discussions that represented, *inter alia*,:

27 (a) a forecast of the anticipated rental rates of the Securities as TRUMP LAS VEGAS
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- 1 branded rooms;
- 2 (b) comparisons of the projected net rental income of the Securities branded as TRUMP
- 3 LAS VEGAS rooms to other similar hotel rental rates in the area;
- 4 (c) projections of future occupancy rates of the Securities branded as TRUMP LAS
- 5 VEGAS rooms; and
- 6 (d) a forecast of the anticipated revenue split from the TRUMP rental program between
- 7 unit owner and hotel.

8 The representations made by Defendants were not restricted to mentioning only the availability of
9 a rental program as part of the TRUMP LAS VEGAS enterprise. Rather, Defendants' marketing
10 strategy overtly emphasized the revenue split and the amount of revenue the Plaintiffs would receive
11 from the rental of the Securities, branded as TRUMP LAS VEGAS hotel rooms with the TRUMP
12 LAS VEGAS enterprise and intentionally omitted material facts.

13 5. The portions of Defendants' marketing scheme that emphasized the economic benefit
14 from the rental of the Securities as represented by the TRUMP LAS VEGAS branded hotel rooms
15 as part of the TRUMP LAS VEGAS enterprise went above and beyond simply mentioning that a
16 rental program was offered by the Defendant. These discussions were the centerpiece of the sales
17 presentation and took place as part of the offering and sale. The Plaintiffs' decision to enter into the
18 TRUMP LAS VEGAS branded hotel room rental program was not reached independently of the
19 decision to purchase the Securities as the TRUMP LAS VEGAS branded hotel room rental program
20 was an integral part of the purchase of the Securities as a TRUMP LAS VEGAS branded hotel room
21 as part of the TRUMP LAS VEGAS enterprise and was represented as such by the Defendants.

22 6. In order to purchase the Securities, the Plaintiffs individually entered into investment
23 contracts with the Defendant whereby Plaintiffs paid a series of deposits totaling 20 % of the
24 purchase price, and agreed to pay to Defendants a sum certain for the Securities at a future date, at
25 which point the Securities would be sold to Plaintiffs.

26 7. The amounts Plaintiffs paid for the purchase of their Securities were subjected to the
27 risks of the TRUMP LAS VEGAS enterprise to rent the rooms at a projected rate for projected days
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1 each year. The TRUMP LAS VEGAS enterprise consists of, *inter alia*: (a) the hotel, (b) the rental
2 program, (c) specialty restaurants, (d) the SPA at Trump, (e) health club, (f) outdoor heated pool with
3 sundeck, bar and private cabanas, (g) the other Trump branded amenities such as valet indoor
4 parking, elegant meeting rooms, personal attache service, in-suite chef, 24-hour concierge, 24-hour
5 white-glove doorman, and full business center. The rental program places the Plaintiffs' Securities
6 into the hotel's room inventory to be used as luxury suites by the Defendant. As a result of the rental
7 program, Plaintiffs have no mechanism by which to control the rental process.

8 8. At all relevant times, Defendants operated the TRUMP LAS VEGAS enterprise in
9 Nevada and sold the Securities to purchasers in Nevada. All offers to purchase or sell any of the
10 Securities described herein were made in Nevada and the deposits made within one year of the
11 execution of each Purchase Agreement between Plaintiffs and Defendants took place in Las Vegas,
12 Nevada, the deposits have been held in Nevada, governed by Nevada law.

13 9. All of the Securities sold to Plaintiffs by Defendants were sold pursuant to
14 substantially the same marketing strategy of raising the potential buyer's expectation of substantial
15 economic benefits from the purchase and ownership of the Securities branded as part of the TRUMP
16 LAS VEGAS enterprise.

17 10. In this suit, Plaintiffs seek rescission as well as equitable relief, including declaratory,
18 injunctive, restitutionary and other equitable monetary relief, and damages as set forth more fully
19 below.

20 11. As more particularly described herein, the Securities were sold and offered in
21 conjunction with one or more of the following three factors:

- 22 (a) emphasis on economic benefits to the purchaser to be derived from the managerial
23 efforts of the promoter, or a third party designated or arranged for by the promoter,
24 from rental of the units;
- 25 (b) the offering of participation in a rental management program; and/or
- 26 (c) the offering of a rental or similar arrangement whereby the owner must hold his unit
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1 available for rental for any part of the year, must use an exclusive rental agent or is
2 otherwise materially restricted in his occupancy or rental of his unit.

3 12. For each and every one of the Plaintiffs, the sales process was comprised of the sale
4 of the Securities coupled with Plaintiffs' future participation in the Defendants' rental program,
5 which constituted a scheme involving the investment of Plaintiffs' money in a common enterprise
6 with profits to come solely from the efforts of others. The Plaintiffs did not consider the purchase
7 of the Securities for anything other than an economic investment. The purchase of the Securities by
8 Plaintiffs was induced by Defendants' promises of economic benefits to be derived solely from the
9 entrepreneurial or managerial efforts of others.

10 THE PARTIES

11 13. Plaintiffs William Spradlin and Shirley Spradlin, are residents of Nevada and
12 California, respectively, who executed a Purchase Agreement for the future purchase of the
13 SECURITY number 5620 for \$625,000, and paid deposits totaling \$125,000, representing 20%
14 of the purchase price.

15 14. Plaintiffs Elliot Sprung and David Sprung are residents of Florida, who executed
16 a Purchase Agreement for the future purchase of the SECURITY number 2714 for \$565,000, and
17 paid deposits totaling \$113,000, representing 20% of the purchase price.

18 15. Plaintiff Emma Oduca is a resident of California, who executed a Purchase
19 Agreement for the future purchase of the SECURITY number 5520 for \$620,000, and paid
20 deposits totaling \$124,000, representing 20% of the purchase price.

21 16. Plaintiff Sally Kim is a resident of Illinois, who executed a Purchase Agreement
22 for the future purchase of the SECURITY number 1706 for \$780,000, and paid deposits totaling
23 \$156,000, representing 20% of the purchase price.

24 17. Plaintiff TDF Properties, LLC, a Nevada limited liability company, owned by
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1 Bob Kasday, executed a Purchase Agreement for the future purchase of the SECURITY number
2 3328 for \$635,000, and paid deposits totaling \$127,000, representing 20% of the purchase price.

3 18. Plaintiff Kuniko Ishida, a resident of Nevada, executed a Purchase Agreement for
4 the future purchase of the SECURITY number 4219 for \$600,000, and paid deposits totaling
5 \$120,000, representing 20% of the purchase price.
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7 19. Defendant TRUMP RUFFIN TOWER I, LLC did business as the TRUMP
8 INTERNATIONAL HOTEL & TOWER LAS VEGAS and the condominium hotel is currently
9 operated under the same name. Defendant TRUMP RUFFIN TOWER I, LLC is, and at all
10 relevant times mentioned herein was a Delaware limited liability company. At all relevant times,
11 Defendant conducted and conducts substantial business in the State of Nevada and substantially
12 availed and avails itself of the Las Vegas economic market in Nevada.

13 20. Plaintiffs are ignorant of the true names and capacities of the Defendants sued
14 herein as DOES 1 through 100, inclusive, and therefore sued these Defendants by fictitious
15 names. Plaintiffs will further amend this Complaint to allege the true names and capacities of
16 these Defendants if and when they are ascertained. Each of these Defendants, sued by the
17 fictitious DOE designation, comprise various persons and/or entities who participated as co-
18 participants, principals and/or agents in the violations alleged herein and performed acts and
19 made statements in furtherance thereof. These co-participants, principals and/or agents were
20 knowing and willful participants in a scheme to promote, market, sell, advertise, or otherwise
21 benefit from the fraudulent sale of the Securities offered by Defendant. When Plaintiffs learn the
22 identities of such persons or entities, Plaintiffs will seek leave to amend this complaint to add
23 them as Defendants.
24

25 JURISDICTION AND VENUE

26 21. This court has jurisdiction over this action, and venue is proper in Clark County,
27 Nevada, because the Defendants have at all relevant times maintained their offices in Clark
28 County, Nevada, and committed the wrongful conduct against each Plaintiff named herein and

1 other members of the Class, in Clark County, Nevada.

2 22. Certain of the claims in this action are being brought under two federal statutes -
3 the Securities Act of 1933 and the Interstate Land Sales Full Disclosure Act. Both statutes have
4 express anti-removal provisions. See 15 U.S.C. §771(a)(1)(Securities Act of 1933); 15 U.S.C.
5 §1719 (Interstate Land Sales Full Disclosure Act). Accordingly, neither statute can be a basis for
6 removal of this action to federal court.
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8 THE SCHEME

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10 23. This action involves a scheme by the Defendants to develop, control and operate a
11 massive hotel project through funds derived from the sale of investment contract Securities to
12 passive public investors and thereby reap enormous profits through the development and
13 operation of the hotel, as well as the satisfaction of the TRUMP LAS VEGAS enterprises' goal
14 of creating a vast hotel and resort complex to provide upscale customers for the hotel, restaurants
15 and other commercial businesses without incurring any cost to own and operate the TRUMP
16 INTERNATIONAL HOTEL & TOWER. In order to avoid disclosing facts that would have
17 exposed the negative aspects of the investment, Defendants intentionally and knowingly
18 disguised their sale of these investment contract Securities as a simple real estate transaction, for
19 the purpose of avoiding the requirement of both state and federal laws and regulations that
20 require (a) honest and complete disclosure to investors; (b) just and honorable conduct by those
21 who sell investments; (c) registration of the securities being sold and the incumbent disclosure
22 involved therewith; as well as (d) the registration and qualification of the entities and individuals
23 selling investment contract Securities.
24

25 24. As a result of this scheme to cheat and defraud Plaintiffs and similarly situated
26 investors, Defendants were able to collect millions of dollars of deposits and stand to gain
27 millions more if these potential sales are not rescinded. Through this scheme Defendants were
28 able to conceal from their investors the material facts relating to their investments including,

1 *inter alia*, the profits Defendants derive from the sales to Plaintiffs; the use of the proceeds of
2 Plaintiffs' investments; the transactions occurring between Defendants and their confederates in
3 this scheme as they shared and divided their spoils; the true economics of the investments; the
4 reasonable expectation of a return on the investment; the conflicts of interest between the
5 investors and Defendants and their confederates in this scheme; and the nature and level of risks
6 being undertaken by those who purchased these Securities that should have been disclosed.

7 25. As part of their scheme to cheat and defraud, Defendants made the conscious
8 decision in connection with the development of the TRUMP LAS VEGAS enterprise and the sale
9 and distribution of the investment contract Securities used to finance the venture to conceal the
10 economic realities of the transactions and to design the presentation and documentation of the
11 transactions in such a way as to hide the true nature of the transactions and conceal material facts
12 regarding their ongoing scheme to distribute unregistered investment contract Securities to public
13 investors. As part of this scheme to distribute these unregistered Securities without an offering
14 circular, Defendants intentionally omitted from disclosure a vast array of material information
15 that should have been provided to investors and potential investors as part of a lawful distribution
16 of these Securities. The material matters that were intentionally and knowingly omitted and
17 concealed included, *inter alia*:

- 18 (a) a description of the plan of operation of the venture, including budget information,
19 sources of cash and anticipated expenditures such that Plaintiffs could know and
20 understand that the represented revenue share to Plaintiffs was actually
21 significantly less than the amount as represented even before taking into account
22 Plaintiffs' taxes, loan payments, and other fees associated with the TRUMP rental
23 program;
24 (b) the number and nature of employees to be involved in the venture such that
25 Plaintiffs could know and understand that these employees would be paid for
26 exclusively by Plaintiffs;
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- (c) the market research and competitive information including the number of competitors and the position of the venture among competitors such that Plaintiffs could understand the rental risks and know that they would be paying monthly fixed overhead fees even when there were no rentals;
- (d) the financial information about the business of the venture, its promoters and each segment of their business such that Plaintiffs could know and understand the Defendants' financial stake and/or what it would cost Defendants if the units were left unoccupied;
- (e) a description of the venture including revenues and expenses for similar products and services offered by the promoters of the venture during the prior three years such that Plaintiffs could know and understand the track record of the Defendants in the market in which TRUMP LAS VEGAS was competing;
- (f) the information relating to compliance with state and local laws and regulations such that Plaintiffs could know and understand that they were purchasing unregistered Securities;
- (g) any pending or threatened legal proceedings or the absence thereof such that Plaintiffs could know and understand the problems facing Defendants;
- (h) information with respect to any resale market for the Securities being sold and the potential for any resale market to develop such that Plaintiffs could know and understand that there would be no ready market for resale of these Securities at prices greater than or equal to the prices paid by Plaintiffs;
- (i) a description of all material risks of the investment such that Plaintiffs could know and understand that they risked losing their entire investment and were extremely unlikely to realize any profit or even recoup their original capital;

- 1 (j) the transactions with related parties including the developers and their affiliates
- 2 and relatives such that Plaintiffs could know and understand that Defendants were
- 3 making a profit on each sale and the amount thereof;
- 4 (k) the method and plan of the distribution of the investment contract Securities such
- 5 that Plaintiffs could know and understand the amounts that were being paid as
- 6 sales commissions;
- 7 (l) the use of the proceeds and the approximate amount of such proceeds dedicated to
- 8 each use such that Plaintiffs could know and understand that Plaintiffs would be
- 9 paying 100% of the ongoing costs of TRUMP LAS VEGAS and receiving
- 10 substantially less of the operating income to pay their mortgages, taxes, and other
- 11 rental program fees;
- 12 (m) the identity of any agreements, arrangements or understandings with all brokers
- 13 participating in the sales of the investment contract Securities including the
- 14 compensation received by such persons such that Plaintiffs could know and
- 15 understand the remuneration paid to the sales agent selling them the Securities;
- 16 (n) the identity, background and compensation of all executive officers and other
- 17 persons serving in similar capacities as part of the management team such that
- 18 Plaintiffs could know and understand the relationship between the members of
- 19 management and others;
- 20 (o) all material contracts relating to the venture including contracts with indemnities
- 21 or promoters of the venture such that Plaintiffs could know and understand these
- 22 risks; and
- 23 (p) a description of the investment contract security including the rights and
- 24 liabilities of the investors and the promoters such that Plaintiffs could analyze
- 25 these rights and liabilities individually and with a representative.
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1 26. Each and every one of these omissions are material to an investor or prospective
2 investor and each was intentionally omitted from disclosures made in connection with sale of the
3 investment contract Securities by the Defendants.

4
5 **THE SCHEME TO DEFRAUD AS PERPETRATED ON EACH PLAINTIFF**

6 27. Plaintiffs William Spradlin and Shirley Spradlin made a 20% deposit of \$125,000
7 contemplating a future closing on the purchase of one of the SECURITIES (unit 5620) offered by
8 Defendants for \$625,000. Prior thereto, Mr. Spradlin and Ms. Spradlin met with Mike Eckel,
9 one of Defendants' sales representatives. Although omitting all of the material facts set forth in
10 Paragraph 25 hereinabove, Mr. Eckel did discuss the various financial and economic benefits that
11 would result from participation in Defendants' rental program. Specifically, Mr. Eckel projected
12 that room rental rates would start at \$350 per night during the week and increase up to \$500 to
13 \$600 per night on weekends. Mr. Eckel justified the high rental rate projections by stating that
14 Trump Las Vegas would cater to upscale clientele interested in a luxurious non-gaming facility
15 and willing to pay extra for peaceful accommodations close to the Las Vegas Strip. In addition
16 to projecting high room rates, Mr. Eckel stated that Trump Las Vegas would most likely
17 experience occupancy rates of 90% or above and a rental revenue split of 60/40 between owner
18 and hotel favoring the unit owner. Mr. Eckel also communicated to Plaintiffs that he felt an
19 investment at Trump Las Vegas was so strong that he decided to purchase two units for himself.
20 Ultimately, Mr. Eckel led Plaintiffs to believe that revenue generated from the rental program
21 would easily cover their mortgage payment and more than likely result in significant positive
22 cash flow each month. The deposit was made to purchase the Security by Plaintiffs William and
23 Shirley Spradlin in reliance upon Defendants' material omissions and false and fraudulent
24 statements. Simply stated, as a result of these omissions and misrepresentations, Plaintiffs
25 William and Shirley Spradlin were convinced by Defendants that as a result of the TRUMP
26 brand, rental program, room rates, occupancy rates, hotel reservations, and the other amenities
27 being delivered by the TRUMP LAS VEGAS enterprise, that the investment in the Security
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1 would be profitable and the value of the Security would appreciate, without Plaintiffs William
2 and Shirley Spradlin having to provide any services or oversight of the Defendants and that the
3 transaction was not a securities investment. Plaintiff William and Shirley Spradlin's reliance was
4 induced by Defendants' fraud. Defendants knew at the time of the sale that material information
5 was being withheld and intentionally concealed this material information in order to obtain the
6 deposit and have the contract signed contemplating a future closing. Defendants knew at the
7 time these statements were made that these statements, and each of them, were false, but made
8 them to defraud the Plaintiffs. Plaintiffs William and Shirley Spradlin were unaware of
9 Defendants' material omissions and believed these statements were true and had no reason to
10 believe the statements to be false because Defendants' representations were dependent on
11 concealed facts peculiarly within the Defendants' knowledge and control. But for Defendants'
12 material omissions and false and fraudulent statements, Plaintiffs William and Shirley Spradlin
13 would not have made the deposit or entered into the contract contemplating a future closing to
14 purchase the Security that was not registered, and is not exempt from registration. As a result of
15 these facts, Plaintiffs are entitled to and hereby seek to rescind the transaction and be restored all
16 money paid to Defendants plus interest thereon from the date of purchase, plus all damages
17 resulting therefrom.

18 28. Plaintiffs Elliot Sprung and David Sprung made a 20% deposit of \$113,000
19 contemplating a future closing on the purchase of one of the SECURITIES (unit 2714) offered by
20 Defendants for \$565,000. Prior thereto, Elliot and David Sprung met with Mike Eckel, one of
21 Defendants' sales representatives. Although omitting all of the material facts set forth in
22 Paragraph 25 hereinabove, Mr. Eckel did discuss the various financial and economic benefits that
23 would result from participation in Defendants' rental program. Specifically, Mr. Eckel stated that
24 Trump Las Vegas was a great investment and that rental rates would be comparable to the most
25 expensive hotels and resorts on the Las Vegas Strip. Mr. Eckel used the Four Seasons Hotel as a
26 comparable property because he claimed that property was the only 5 star hotel on the Las Vegas
27 Strip and Trump would also be a 5 star property. Mr. Eckel claimed that Trump Las Vegas
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1 would cater to an upscale clientele looking for luxurious accommodations in a non-gaming
2 environment. In addition, Mr. Eckels projected 90% occupancy rates, which, coupled with the
3 high rental rates, would generate enough revenue to at least cover the mortgage payment and
4 result in positive cash flow. The deposit was made to purchase the Security by Plaintiffs Elliot
5 and David Sprung in reliance upon Defendants' material omissions and false and fraudulent
6 statements. Simply stated, as a result of these omissions and misrepresentations, Plaintiffs Elliot
7 and David Sprung were convinced by Defendants that as a result of the TRUMP brand, rental
8 program, room rates, occupancy rates, hotel reservations, and the other amenities being delivered
9 by the TRUMP LAS VEGAS enterprise, that the investment in the Security would be profitable
10 and the value of the Security would appreciate, without Plaintiffs Elliot and David Sprung having
11 to provide any services or oversight of the Defendants and that the transaction was not a
12 securities investment. Plaintiffs Elliot and David Sprungs' reliance was induced by Defendants'
13 fraud. Defendants knew at the time of the sale that material information was being withheld and
14 intentionally concealed this material information in order to obtain the deposit and have the
15 contract signed contemplating a future closing. Defendants knew at the time these statements
16 were made that these statements, and each of them, were false, but made them to defraud the
17 Plaintiffs. Plaintiffs Elliot and David Sprung were unaware of Defendants' material omissions
18 and believed these statements were true and had no reason to believe the statements to be false
19 because Defendants' representations were dependent on concealed facts peculiarly within the
20 Defendants' knowledge and control. But for Defendants' material omissions and false and
21 fraudulent statements, Plaintiffs Elliot and David Sprung would not have made the deposit or
22 entered into the contract contemplating a future closing to purchase the Security that was not
23 registered, and is not exempt from registration. As a result of these facts, Plaintiffs are entitled to
24 and hereby seek to rescind the transaction and be restored all money paid to Defendants plus
25 interest thereon from the date of purchase, plus all damages resulting therefrom.

26 29. Plaintiff Emma Oduca made a 20% deposit of \$124,000 contemplating a future
27 closing on the purchase of one of the SECURITIES (unit 5520) offered by Defendants for
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1 \$620,000. Prior thereto, Plaintiff Oduca met with Mike Eckel, one of Defendants' sales
2 representatives. Although omitting all of the material facts set forth in Paragraph 25 hereinabove,
3 Mr. Eckel did discuss the various financial and economic benefits that would result from
4 participation in Defendants' rental program. Specifically, Mr. Eckel projected that room rental
5 rates at Trump Las Vegas would start at \$350 per night during the week and increase up to \$600
6 or more on weekends and holidays with a 90% occupancy rate. He justified his projections, as it
7 relates to rental rates, by comparing Trump Las Vegas to other luxury resorts in Las Vegas
8 including Bellagio and Four Seasons. Mr. Eckel further emphasized the great investment
9 potential of Trump Las Vegas by indicating that the value of units in the building had increased
10 since they first started selling and that the project was almost sold out. Mr. Eckel was aware that
11 Plaintiff Oduca was searching for an investment in the form of an income producing property.
12 To that end, Mr. Eckel clearly indicated that Plaintiff Oduca could expect an investment at
13 Trump Las Vegas to yield enough revenue from the rental program to easily cover her mortgage
14 payment and produce significant cash flow. The deposit was made to purchase the Security by
15 Plaintiff Oduca in reliance upon Defendants' material omissions and false and fraudulent
16 statements. Simply stated, as a result of these omissions and misrepresentations, Plaintiff Oduca
17 was convinced by Defendants that as a result of the TRUMP brand, rental program, room rates,
18 occupancy rates, hotel reservations, and the other amenities being delivered by the TRUMP LAS
19 VEGAS enterprise, that the investment in the Security would be profitable and the value of the
20 Security would appreciate, without Plaintiff Oduca having to provide any services or oversight of
21 the Defendants and that the transaction was not a securities investment. Plaintiff Oduca's reliance
22 was induced by Defendants' fraud. Defendants knew at the time of the sale that material
23 information was being withheld and intentionally concealed this material information in order to
24 obtain the deposit and have the contract signed contemplating a future closing. Defendants knew
25 at the time these statements were made that these statements, and each of them, were false, but
26 made them to defraud the Plaintiff. Plaintiff Oduca was unaware of Defendants' material
27 omissions and believed these statements were true and had no reason to believe the statements to
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1 be false because Defendants' representations were dependent on concealed facts peculiarly
2 within the Defendants' knowledge and control. But for Defendants' material omissions and false
3 and fraudulent statements, Plaintiff Oduca would not have made the deposit or entered into the
4 contract contemplating a future closing to purchase the Security that was not registered, and is
5 not exempt from registration. As a result of these facts, Plaintiff is entitled to and hereby seeks
6 to rescind the transaction and be restored all money paid to Defendants plus interest thereon from
7 the date of purchase, plus all damages resulting therefrom.

8 30. Plaintiff Sally Kim made a 20% deposit of \$156,000 contemplating a future
9 closing on the purchase of one of the SECURITIES (unit 1706) offered by Defendants for
10 \$780,000. Prior thereto, Plaintiff Kim met with Mike Eckel, one of Defendants' sales
11 representatives. Although omitting all of the material facts set forth in Paragraph 25 hereinabove,
12 Mr. Eckel did discuss the various financial and economic benefits that would result from
13 participation in Defendants' rental program. Specifically, Mr. Eckel projected that room rental
14 rates would be \$400 to \$500 per night for the type of unit Plaintiff Kim was interested in. Mr.
15 Eckel justified his high rental rate projections by stating that Trump Las Vegas was slated to
16 become a 5-Star resort, similar in quality to the Four Seasons Hotel with comparable rental rates.
17 In addition, Mr. Eckel projected that occupancy rates would be 90% or above and clearly
18 indicated that Ms. Kim would not experience any vacancy problems. Mr. Eckel further
19 emphasized the investment potential of the Trump Hotel by stating on more than one occasion
20 that he had purchased two units himself. Mr. Eckel concluded his sales presentation by stating
21 that the revenue generated by the rental program would, in a "worst case scenario", cause
22 Plaintiff Kim to "break even" each month with regard to her mortgage payment, taxes, and rental
23 program fees. Mr. Eckel clearly indicated, however, that a more likely scenario for Plaintiff Kim
24 was for her to experience a significant positive cash flow generated from the rental program. The
25 deposit was made to purchase the Security by Plaintiff Kim in reliance upon Defendants'
26 material omissions and false and fraudulent statements. Simply stated, as a result of these
27 omissions and misrepresentations, Plaintiff Kim was convinced by Defendants that as a result of
28

1 the TRUMP brand, rental program, room rates, occupancy rates, hotel reservations, and the other
2 amenities being delivered by the TRUMP LAS VEGAS enterprise, that the investment in the
3 Security would be profitable and the value of the Security would appreciate, without Plaintiff
4 Kim having to provide any services or oversight of the Defendants and that the transaction was
5 not a securities investment. Plaintiff Kims' reliance was induced by Defendants' fraud.
6 Defendants knew at the time of the sale that material information was being withheld and
7 intentionally concealed this material information in order to obtain the deposit and have the
8 contract signed contemplating a future closing. Defendants knew at the time these statements
9 were made that these statements, and each of them, were false, but made them to defraud the
10 Plaintiff. Plaintiff Kim was unaware of Defendants' material omissions and believed these
11 statements were true and had no reason to believe the statements to be false because Defendants'
12 representations were dependent on concealed facts peculiarly within the Defendants' knowledge
13 and control. But for Defendants' material omissions and false and fraudulent statements,
14 Plaintiff Kim would not have made the deposit or entered into the contract contemplating a
15 future closing to purchase the Security that was not registered, and is not exempt from
16 registration. As a result of these facts, Plaintiff is entitled to and hereby seeks to rescind the
17 transaction and be restored all money paid to Defendants plus interest thereon from the date of
18 purchase, plus all damages resulting therefrom.

19 31. Plaintiff TDF Properties, LLC (hereinafter "TDF"), made a 20% deposit of
20 \$127,000 contemplating a future closing on the purchase of one of the SECURITIES (unit 3328)
21 offered by Defendants for \$635,000. Prior thereto, Bob Kasday, on behalf of Plaintiff TDF, met
22 with Mike Eckel, one of Defendants' sales representatives. Although omitting all of the material
23 facts set forth in Paragraph 25 hereinabove, Mr. Eckel did discuss the various financial and
24 economic benefits that would result from participation in Defendants' rental program.
25 Specifically, Mr. Eckel projected that rental rates would start at \$300 or more per night, and
26 would increase significantly on weekends and holidays. Mr. Eckel also projected occupancy
27 rates of 90% along with a rental revenue split between owner and hotel of 60/40 favoring the unit
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1 owner. Mr. Eckels indicated that if Plaintiff TDF did not use the unit it could expect enough
2 revenue generated from the rental program to cover the mortgage payment. Mr. Eckels was
3 aware that Plaintiff TDF was interested in Trump Las Vegas for investment purposes only and
4 described the project as a "great investment" on several occasions. The deposit was made to
5 purchase the Security by Plaintiff TDF in reliance upon Defendants' material omissions and
6 false and fraudulent statements. Simply stated, as a result of these omissions and
7 misrepresentations, Plaintiff was convinced by Defendants that as a result of the TRUMP brand,
8 rental program, room rates, occupancy rates, hotel reservations, and the other amenities being
9 delivered by the TRUMP LAS VEGAS enterprise, that the investment in the Security would be
10 profitable and the value of the Security would appreciate, without Plaintiff TDF having to
11 provide any services or oversight of the Defendants and that the transaction was not a securities
12 investment. Plaintiff TDFs' reliance was induced by Defendants' fraud. Defendants knew at the
13 time of the sale that material information was being withheld and intentionally concealed this
14 material information in order to obtain the deposit and have the contract signed contemplating a
15 future closing. Defendants knew at the time these statements were made that these statements,
16 and each of them, were false, but made them to defraud the Plaintiff. Plaintiff TDF was unaware
17 of Defendants' material omissions and believed these statements were true and had no reason to
18 believe the statements to be false because Defendants' representations were dependent on
19 concealed facts peculiarly within the Defendants' knowledge and control. But for Defendants'
20 material omissions and false and fraudulent statements, Plaintiff TDF would not have made the
21 deposit or entered into the contract contemplating a future closing to purchase the Security that
22 was not registered, and is not exempt from registration. As a result of these facts, Plaintiff is
23 entitled to and hereby seeks to rescind the transaction and be restored all money paid to
24 Defendants plus interest thereon from the date of purchase, plus all damages resulting therefrom.

25 32. Plaintiff Kuniko Ishida made a 20% deposit of \$120,000 contemplating a future
26 closing on the purchase of one of the SECURITIES (unit 4219) offered by Defendants for
27 \$600,000. Prior thereto, Plaintiff Ishida, along with her buyer's agent, Yoshi Sato, met with
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1 Mike Eckel, one of Defendants' sales representatives. Although omitting all of the material facts
2 set forth in Paragraph 25 hereinabove, Mr. Eckel did discuss the various financial and economic
3 benefits that would result from participation in Defendants' rental program. Specifically, Mr.
4 Eckel projected that room rental rates at Trump Las Vegas would be similar or equal to those
5 charged at the Bellagio hotel. In addition, Mr. Eckel projected that occupancy rates would be
6 similar to those experienced at a comparable Trump project in New York City, which he claimed
7 was 97%. Mr. Eckel also boasted that Trump Las Vegas would have a better rental revenue split
8 for owners than another condo-hotel in Las Vegas known as MGM Signature. Mr. Eckel claimed
9 that owners at MGM Signature were only receiving a 54/46 rental revenue split while owners at
10 Trump would receive a 60/40 split favoring the unit owner. Mr. Eckel further emphasized the
11 economic potential of the rental program by claiming that he had bought two units for himself at
12 Trump Las Vegas. Mr. Eckel was aware that Plaintiff Ishida was a local resident of Las Vegas
13 looking for a good investment and not interested in occupying her unit. The deposit was made to
14 purchase the Security by Plaintiff Ishida in reliance upon Defendants' material omissions and
15 false and fraudulent statements. Simply stated, as a result of these omissions and
16 misrepresentations, Plaintiff Ishida was convinced by Defendants that as a result of the TRUMP
17 brand, rental program, room rates, occupancy rates, hotel reservations, and the other amenities
18 being delivered by the TRUMP LAS VEGAS enterprise, that the investment in the Security
19 would be profitable and the value of the Security would appreciate, without Plaintiff Ishida
20 having to provide any services or oversight of the Defendants and that the transaction was not a
21 securities investment. Plaintiff Ishida's reliance was induced by Defendants' fraud. Defendants
22 knew at the time of the sale that material information was being withheld and intentionally
23 concealed this material information in order to obtain the deposit and have the contract signed
24 contemplating a future closing. Defendants knew at the time these statements were made that
25 these statements, and each of them, were false, but made them to defraud the Plaintiff. Plaintiff
26 Ishida was unaware of Defendants' material omissions and believed these statements were true
27 and had no reason to believe the statements to be false because Defendants' representations were
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1 dependent on concealed facts peculiarly within the Defendants' knowledge and control. But for
2 Defendants' material omissions and false and fraudulent statements, Plaintiff Ishida would not
3 have made the deposit or entered into the contract contemplating a future closing to purchase the
4 Security that was not registered, and is not exempt from registration. As a result of these facts,
5 Plaintiff Ishida is entitled to and hereby seeks to rescind the transaction and be restored all money
6 paid to Defendants plus interest thereon from the date of purchase, plus all damages resulting
7 therefrom.

8 ARBITRATION EXEMPTION CLAIMED

9 33. Pursuant to Rule 3 of the Nevada Arbitration Rules, this matter should not be
10 subject to arbitration because (1) damages for each Plaintiff are in excess of \$50,000.00; (2)
11 significant issues of public policy are involved; (3) this is a class action complaint; and, (4) the
12 arbitration provision is unconscionable.

13 34. Public policy concerns also dictate that Defendants cannot compel arbitration
14 because terms of the Purchase Agreement, which include an arbitration provision, are
15 unenforceable under NRS 90.840, subsection 1, as a matter of law because the contract is an
16 illegal contract in the State of Nevada. The sale of unregistered Securities renders the arbitration
17 provision unenforceable as a matter of law and public policy.

18 35. Public Policy concerns dictate that Defendants cannot compel arbitration because
19 the arbitration provision in the Purchase Agreement is both procedurally and substantively
20 unconscionable under the facts of this case.

21 CLASS ALLEGATIONS

22
23 36. Plaintiffs bring this action pursuant to Rule 23 of the Nevada Rules of Civil
24 Procedure as a class action on their own and on behalf of a class defined as:

25 **ALL INDIVIDUALS WHO MADE A DEPOSIT TO**
26 **PURCHASE ONE OR MORE OF THE SECURITIES IN**
27 **THE TRUMP INTERNATIONAL HOTEL & TOWER LAS**
28 **VEGAS FROM DEFENDANTS, AND WHO HAVE NOT**
HAD THEIR DEPOSIT RETURNED IN FULL TO THEM.

1 Excluded from the Class are Defendants, any parent, subsidiary of
2 affiliate of Defendants, and their officers, directors, and employees,
3 who are or have been employed by Defendants during the above-
4 defined Class Period, and any judicial officer who may preside
5 over this cause of action.

6 37. The requirements for maintaining this action as a class action under Rule 23 of the
7 Nevada Rules of Civil procedure are satisfied in that:

8 a. It is impracticable to bring all members of the Class before the Court.
9 Plaintiffs estimate that there are hundreds of Class Members, geographically spread throughout
10 the United States, and that their identities can be ascertained from Defendants' books and
11 records. Attempting to join and name each Class member as a Co-Plaintiff would be
12 unreasonable and impracticable.

13 b. There are questions of law and fact common to the Class, which are
14 identical for each member of the Class and which predominate over the questions affecting the
15 individual Class members, if any. Among these common questions of law and fact are:

16 (i) Whether Defendants sold securities within the meaning of
17 N.R.S. § 90.460 and/or the Securities Act of 1933;

18 (ii) Whether Defendants registered their Securities;

19 (iii) Whether Defendants' conduct violated N.R.S. § 90.460;

20 (v) Whether Defendants' conduct violated Section 12(a)(1);

21 (vi) Whether Defendants' conduct violated Section 12(a)(2);

22 (vii) Whether Defendants' conduct violated N.R.S. § 90.570;

23 (viii) Whether Defendants represented that the investments in the
24 TRUMP LAS VEGAS condo-hotel would earn a rate of return and/or was guaranteed, secured or
25 protected, which Defendants knew or had reason to know was false and/or misleading;

26 (ix) Whether Defendants concealed material facts and/or omitted to
27 state material facts about the investment in the TRUMP LAS VEGAS enterprise;
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1 (x) Whether Defendants made untrue statements of material facts
2 about the investment in the TRUMP LAS VEGAS enterprise;

3 (xi) Whether Defendants failed to comply with applicable laws
4 and regulations concerning the marketing and sale of investment securities;

5 (xii) Whether Defendants conducted the offering and sale of
6 investment Securities in the form of the condominium-hotel room units at the Trump
7 International Hotel & Tower Las Vegas without all the required licensing and regulatory
8 approvals; and

9 (xiii) Whether Defendants violated the Interstate Land Sales and Full
10 Disclosure Act, 15 U.S.C. § 1703(a)(2).

11 c. The scripted sales representations and practices here made to the class
12 representatives and to each member of the class were part of a common scheme applicable
13 similarly to each of them. As to each member of the class the material omissions were the same,
14 the representations of branding and association with the TRUMP name were the same, the
15 dependency upon the success or failure of the TRUMP LAS VEGAS branded enterprise was the
16 same, the promotion of the investment that a valuable benefit was critical for all, the lack of any
17 right to exercise any practical or actual control over the managerial decisions of the TRUMP
18 LAS VEGAS enterprise was the same for all Plaintiffs and the other representations herein
19 alleged were similarly presented by Defendants to the members of the Class and the named
20 Plaintiffs. The material omissions and the sales techniques used by Defendants were part of a
21 coordinated scheme involving common sales materials, instructions, training and practice review.
22 The scripted sales pitches being made to each purchaser member of the Class included the same
23 material omissions and representations and the same elements of deception described for the
24 named Plaintiffs. Each of the members of the Class justifiably relied on those material omissions
25 and representations of fact in making their investment purchase decisions, and each has been
26 similarly damaged by the falsity of the statements so relied upon.

27 d. The claims of the representative Plaintiffs are typical of the claims of
28

1 the Class in that each Plaintiff purchased one or more of the Securities in the TRUMP LAS
2 VEGAS condo-hotel offered by Defendants.

3 e. The claims of the representative Plaintiffs will fairly and adequately
4 protect the interests of the Class. The Class interests are coincident with, and not antagonistic to,
5 those of the Plaintiffs. Furthermore, Plaintiffs are represented by experienced class action
6 counsel.

7 38. In this action, Plaintiffs and the Class seek all equitable, compensatory, special
8 and punitive damages authorized under Nevada law for which class-wide relief is available,
9 disgorgement, restitution and reasonable attorneys' fees and costs incurred in the prosecution of
10 this action. There are no manageability problems due to variations in state laws or choice of law
11 provisions, because Nevada law applies to the claims of all the members of the Class asserted
12 herein. Class wide litigation of the predominating common issues is superior to any other form
13 of litigation, including individual litigation.

14 39. The conduct of the Defendants in the offering and sale of the Securities
15 to the other members of the Class followed substantially the same pattern and involved
16 substantially the same conduct. The Securities sold to the Class were securities within the
17 meaning of Nevada law for the same reasons set forth in Paragraph 2 above. The offering and
18 sale of the Securities to the members of the Class was fraudulent, illegal and a deceptive trade
19 practice for the same reasons the offering and sale of the Securities to the Plaintiffs was
20 fraudulent, illegal and a deceptive trade practice.

21
22 **FIRST CAUSE OF ACTION**
23 **(Violation of Section 12(a)(1) of the 1933 Act by All Defendants)**

24 40. Plaintiffs reallege and incorporate herein by reference the allegations contained in
25 the preceding and subsequent Paragraphs of this Complaint as though fully set forth herein.
26 Plaintiffs bring this cause of action on behalf of themselves and the Class of similarly situated
27 persons as herein defined.

1 41. No registration statement was filed or in effect with the SEC pursuant to the
2 Securities Act and no exemption from registration exists with respect to the Securities and
3 transactions described in this Complaint.

4 42. Defendants, directly and indirectly, have: (a) made use of the means or
5 instruments of transportation or communications in interstate commerce or of the mails to sell
6 the Securities as described herein, through the use or medium of a prospectus or otherwise; (b)
7 caused the Securities to be carried through the mails or in interstate commerce, by any means or
8 instruments of transportation, for the purpose of sale or delivery after sale; and/or (c) made use of
9 the means or instruments of transportation or communication in interstate commerce or of the
10 mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise, as
11 described in this Complaint, without a registration statement having been filed or being in effect
12 with the Commission as to the Securities or qualify for an exemption therefrom.

13 43. Defendants, directly and indirectly, offered to sell, and indeed sold these
14 Securities to Plaintiffs without a registration statement having been filed or being in effect with
15 the SEC or qualify for an exemption therefrom.. By reason of the foregoing, Defendants have
16 violated Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e (c).

17 44. By reason of the conduct alleged herein, Defendants violated Section 12(a)(1) of
18 the 1933 Act. Plaintiffs demand rescission of these sales of unregistered Securities.

19 45. Defendants affirmatively and actively concealed their unlawful conduct from
20 Plaintiffs. Defendants concealed the true nature of their unlawful conduct and acts in furtherance
21 thereof, and actively concealed their activities through various other means and methods to avoid
22 detection. Plaintiffs did not discover, and could not have discovered through the exercise of
23 reasonable diligence, that Defendants were violating the securities laws as alleged herein until
24 shortly before this class action litigation was commenced. As a result of the active concealment
25 of the unlawful conduct by Defendants, any and all applicable statutes of limitations otherwise
26 applicable to the allegations herein have been tolled.
27
28

SECOND CAUSE OF ACTION
(Violation of Section 12(a)(2) of the 1933 Act by All Defendants)

46. Plaintiffs reallege and incorporate herein by reference the allegations contained in the preceding and subsequent Paragraphs of this Complaint as though fully set forth herein. Plaintiffs bring this cause of action on behalf of themselves and the Class of similarly situated persons as herein defined.

47. Under Section 12(a)(2) of the Securities Act of 1933, Defendants were sellers, offerors, and/or solicitors of the Securities. Defendants solicited the sale of the Securities to each of the Class Members for Defendants' own financial benefit.

48. The statements referred to hereinabove were made in scripted oral representations made by Defendants to the Class Members. The scripted oral representations to the Class Members contained untrue statements of material facts, omitted other facts necessary to make the statements made not misleading and failed to disclose material facts. Defendants acted to sell the Securities by way of the scripted oral representations. Defendants' actions included preparing the scripted oral presentations and other material used in the sale of the Securities which were false and misleading because they did not disclose the material adverse facts set forth above.

49. Plaintiffs and the other members of the Class purchased the Securities pursuant to the Defendants' scripted oral representations. Plaintiffs and the other members of the Class did not know, and in the exercise of reasonable diligence could not have known, of the untruths and omissions contained in or made in connection with Defendants' scripted oral representations.

50. By reason of the conduct alleged herein, Defendants violated Section 12(a)(2) of the 1933 Act. As a proximate result of Defendants' violations Plaintiffs and each of the Class Members have been damaged.

51. Defendants affirmatively and actively concealed their unlawful conduct from Plaintiffs. Defendants concealed the true nature of their unlawful conduct and acts in furtherance thereof, and actively concealed their activities through various other means and methods to avoid detection. Plaintiffs did not discover, and could not have discovered through the exercise of

1 reasonable diligence, that Defendants were violating the securities laws as alleged herein until
2 shortly before this class action litigation was commenced. As a result of the active concealment
3 of the unlawful conduct by Defendants, any and all applicable statutes of limitations otherwise
4 applicable to the allegations herein have been tolled.

5
6 **THIRD CAUSE OF ACTION**
(Violation of N.R.S. 90.460 by All Defendants)

7 52. Plaintiffs reallege and incorporate herein by reference the allegations contained in
8 the preceding and subsequent Paragraphs of this Complaint as though fully set forth herein.
9 Plaintiffs bring this cause of action on behalf of themselves and the Class of similarly situated
10 persons as herein defined.

11 53. The entire amounts paid by each and every Plaintiff was subjected to the risk of
12 the TRUMP LAS VEGAS enterprise to rent the Securities, branded as TRUMP hotel rooms, at a
13 projected rate for a projected range of days within each year. All of the economic benefits to be
14 derived from the Security were inextricably bound to the success of the entire TRUMP LAS
15 VEGAS branded enterprise as a whole. The occupancy rates of the Security, from which
16 Plaintiffs sought to derive rental profits, were dependent upon the success of the TRUMP LAS
17 VEGAS brand.

18 54. The furnishing of the amounts paid by each and every Plaintiff for the Securities
19 purchased, in the form of a series of deposits totaling 20% of the purchase price, were induced by
20 Defendants' omissions of material fact set forth in Paragraph 25 hereinabove and representations
21 which gave rise to a reasonable understanding among the Plaintiffs that a valuable benefit in the
22 form of prospective economic benefits would accrue to Plaintiffs from the entrepreneurial or
23 managerial efforts of others managing the Trump International Hotel & Tower Las Vegas and the
24 Trump Rental Program, which induced Plaintiff to purchase the Securities. The economic
25 benefit, over and above the amounts paid for the purchase of the Securities, that Defendants'
26 sales team promised would flow to Plaintiffs from the purchase of the Securities were the
27 primary motivation behind Plaintiffs' purchase of the Securities. Residency was never discussed
28

1 as a significant motivation for purchase between any member of Defendants' sales or rental
2 representatives and any of the Plaintiffs.

3 55. Plaintiffs did not intend to receive any right to exercise practical and/or actual
4 control over the managerial decisions of the TRUMP LAS VEGAS enterprise. Furthermore,
5 Plaintiffs did not exercise any power to influence the utilization of the capital invested in the
6 Securities. Instead, the economic benefits that Plaintiffs were told by Defendants would flow
7 from the purchase of the Securities would result from name recognition of the TRUMP LAS
8 VEGAS brand, the strength of the rental program management, and the ability of the reservation
9 system of the rental program to yield income after the purchase.

10 56. Defendants issued the Securities, which were not exempt from registration, to
11 Plaintiffs without abiding by the registration requirements of Nevada, did not have any
12 preemption therefrom, and therefore Plaintiffs, under N.R.S. 90.660, may recover the
13 consideration paid for the Securities and interest at the legal rate of this State from the date of
14 payment, costs and reasonable attorney's fees, less the amount of income received on the
15 Securities.

16 57. Plaintiffs are also entitled to all remedies available under N.R.S. 90.640, including
17 a temporary restraining order, permanent or temporary prohibitory or mandatory injunction or a
18 writ of prohibition or mandamus; the imposition of a civil penalty of not more than \$2,500 for a
19 single violation or \$100,000 for multiple violations in a single proceeding or a series of related
20 proceedings; declaratory judgment; restitution; the appointment of a receiver or conservator for
21 the Defendants' assets; an order of payment of the divisions investigative costs; or an order of
22 such other relief as the court deems just.

23
24 **FOURTH CAUSE OF ACTION**
25 **(Violation of N.R.S. 90.570 by all Defendants)**

26 58. Plaintiffs reallege and incorporate herein by reference the allegations contained in
27
28

1 the preceding and subsequent Paragraphs of this Complaint as though fully set forth herein.
2 Plaintiffs bring this cause of action on behalf of themselves and the Class of similarly situated
3 persons as herein defined.

4 59. In connection with the offer to sell, sale, offer to purchase or purchase of a
5 security, a person shall not, directly or indirectly:

- 6 1. Employ any device, scheme or artifice to defraud;
- 7 2. Make an untrue statement of a material fact or omit to state a material fact
8 necessary in order to make the statements made not misleading in the light
9 of the circumstances under which they are made; or
- 10 3. Engage in an act, practice or course of business which operates or would
11 operate as a fraud or deceit upon a person.

12 N.R.S. § 90.570.

13 60. Defendants, through the sales and rental management presentations of the
14 unregistered Securities have employed a device, scheme or artifice to defraud described in
15 specificity above in this Complaint and incorporated by reference herein, by making material
16 omissions of fact as set forth in Paragraph 25 above and false representations as set forth herein.

17 61. Defendants, further through the sales and rental management presentations of the
18 unregistered Securities, as described with specificity above in this Complaint and incorporated by
19 reference herein, made several untrue statements of material facts and/or omitted to state material
20 facts necessary in order to make the statements made not misleading in the true circumstances
21 concerning the Defendants' actual ability to forecast or predict the profitability of participating in
22 Defendants' rental management program and the minimum rental rates, the minimum occupancy
23 rates, and the anticipated appreciation rates of the Securities.

24 62. Defendants, through the intentional omission of material facts and false and
25 fraudulent sales and rental presentations described with specificity above, engaged in acts,
26 practices and/or a course of business which operated as a fraud or deceit upon the Plaintiffs by
27 inducing Plaintiffs to purchase the Securities with the clear intent to participate in Defendants'
28 rental management program based on dubious predictions of economic expectations that the

1 Defendants knew to be false at the time such predictions were made. Moreover, the Defendants
2 knew that these statements were untrue and the omissions were material and misleading, but
3 made them to defraud Plaintiffs.

4 63. Plaintiffs did not know that the statements of material facts made to them by
5 Defendants during the sales presentations were untrue or that there was an omission of a
6 statement of material facts.

7 64. Plaintiffs did not receive any written offer, including financial and other
8 information necessary to correct all material misstatements or omissions in the information
9 required to be furnished to Plaintiffs, as of the time of the sale of the Securities.

10 65. Defendants, pursuant to the fraudulent scheme, business practice, and on the basis
11 of untrue material facts and omissions, sold the Securities, which were not exempt from
12 registration, to Plaintiffs without abiding by the registration requirements of Nevada and
13 therefore Plaintiffs, under N.R.S. 90.660, may recover the consideration paid for the Securities
14 and interest at the legal rate of this State from the date of payment, costs and reasonable
15 attorney's fees, less the amount of income received on the Securities.

16 66. Plaintiffs are also entitled to all remedies available under N.R.S. 90.640, including
17 a temporary restraining order, permanent or temporary prohibitory or mandatory injunction or a
18 writ of prohibition or mandamus; the imposition of a civil penalty of not more than \$2,500 for a
19 single violation or \$100,000 for multiple violations in a single proceeding or a series of related
20 proceedings; declaratory judgment; restitution; the appointment of a receiver or conservator for
21 the Defendants' assets; an order of payment of the divisions investigative costs; or an order of
22 such other relief as the court deems just.

23
24 **FIFTH CAUSE OF ACTION**
25 **(Violation of N.R.S. Chapter 598, et seq. by all Defendants)**

26 67. Plaintiffs reallege and incorporate herein by reference the allegations contained in
27 the preceding and subsequent Paragraphs of this Complaint as though fully set forth herein.
28

1 Plaintiffs bring this cause of action on behalf of themselves and the Class of similarly situated
2 persons as herein defined.

3 68. Plaintiffs bring this claim under Nevada consumer fraud laws, particularly NRS
4 Sections 41.600 and 598.0903, *et seq.*, on behalf of themselves and the Class who purchased the
5 air rights to condominium hotel room units from Defendants, and who were thus subject to
6 Defendants' above-described deceptive, unlawful and fraudulent conduct.

7 69. The air rights to condominium hotel room units, as described above, were
8 purchased by the Plaintiffs and by other consumers similarly situated primarily for investment
9 purposes.

10 70. The Defendants violated their statutory duty under the Nevada Deceptive Trade
11 Practices Act by advertising, offering and selling the air rights to condominium-hotel room units
12 as investment securities at TRUMP LV as described herein above.

13 71. The Defendants violated their duty under the aforementioned statutes, including
14 but not limited to, § 598.092 (5)(a), (b), (c), (f) and § 598.0923(1), by, among other things, (a)
15 representing that the investment Securities in the form of the condominium-hotel room units at
16 the TRUMP LAS VEGAS would earn a rate of return and/or was guaranteed, secured or
17 protected, which Defendants knew or had reason to know was false and/or misleading; (b)
18 making untrue statements of material facts and/or omitting to state material facts about the
19 investment Securities in the form of the condominium-hotel room units at TRUMP LAS
20 VEGAS; (c) failing to comply with applicable laws and regulations concerning the marketing
21 and sale of investment Securities; and/or (d) conducting the offering and sale of investment
22 Securities in the form of the condominium-hotel room units at the TRUMP LAS VEGAS condo-
23 hotel without all the required licensing and regulatory approvals.

24 72. The Defendants' actions as alleged herein were materially deceptive and
25 constituted fraud, false pretense, misrepresentation and the concealment, suppression and
26 omission of material facts with the intent that Plaintiffs and the Class would rely upon the
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1 fraudulent misrepresentation, concealment, suppression and omission of such material facts, all
2 in violation of the Nevada Consumer Fraud and Deceptive Business Practices Acts.

3 73. Plaintiffs and the other members of the Class were injured by the many violations
4 of the Nevada Deceptive Trade Practices Act, and Plaintiffs and the Class have thereby been
5 damaged in an amount to be proven at trial.

6
7 **SIXTH CAUSE OF ACTION**
8 **(Fraudulent Misrepresentation by All Defendants)**

9 74. Plaintiffs reallege and incorporate herein by reference the allegations contained in
10 the preceding and subsequent Paragraphs of this Complaint as though fully set forth herein.
11 Plaintiffs bring this cause of action on behalf of themselves and the Class of similarly situated
12 persons as herein defined.

13 75. Defendants made false and fraudulent misrepresentations, as described with
14 specificity above and incorporated by reference herein, that, inter alia, as a result of TRUMP
15 LAS VEGAS branding, hotel reservations, casino operations, room rates, occupancy rates,
16 Defendants' rental program, and the other amenities being delivered by the TRUMP LAS
17 VEGAS enterprise, the investment in the Securities would be profitable and the value of the
18 Securities would appreciate, without Plaintiffs having to provide any services or oversight of the
19 Defendants.

20 76. Defendants, and each of them, made these representations with the knowledge or
21 belief that the representations were false or with an insufficient basis of information for making
22 the representations.

23 77. Defendants intended to induce Plaintiffs to act upon the misrepresentations by
24 entering into the sales agreement to purchase the Securities with the clear intent that Plaintiffs
25 would participate in the Trump Rental Program at a future date.

26 78. Plaintiffs were ignorant of the truth of the misrepresentations and concealments
27 made by Defendants and in fact justifiably relied on the misrepresentations made by Defendants.
28

1 79. As a direct and proximate result of Defendants' misstatements and
2 misrepresentations of material facts, Plaintiffs entered into a written agreement for the purchase
3 of the condominium hotel with the expectation they would participate in the Defendants' rental
4 management program, and suffered damages as more fully set forth herein above and in an
5 amount to be proved at trial.

6 80. As a result, Plaintiffs are, in the alternative, entitled to rescission of the contract,
7 an accounting, and the return of any and all money or property given, plus interest and expenses.

8 81. Defendants had actual knowledge of the fact that the representations were in fact
9 false, and for these reasons, and because the conduct by these Defendants was malicious,
10 oppressive and/or fraudulent, Plaintiffs are, therefore, entitled to punitive damages to make an
11 example of and to punish these Defendants in addition to actual damage.

12
13 **SEVENTH CAUSE OF ACTION**
14 **(Negligent Misrepresentation)**

15 82. Plaintiffs reallege and incorporate herein by reference the allegations contained in
16 the preceding and subsequent Paragraphs of this Complaint as though fully set forth herein.
17 Plaintiffs bring this cause of action on behalf of themselves and the Class of similarly situated
18 persons as herein defined.

19 83. Defendants supplied false guidance in discussions relating to the sale of
20 Defendants' condominium hotel units at TRUMP LAS VEGAS as described with specificity
21 above and incorporated by reference herein. Defendants failed to exercise reasonable care or
22 competence in obtaining or communicating the information which consisted of
23 misrepresentations, not only concerning the property value of the condominium hotel units, but
24 also concerning the anticipated rental value and occupancy rate of the units, and the profitability
25 of participating in Defendants' rental management program. Such misrepresentations were made
26 in the course of Defendants' business, profession or employment, and/or in any such transaction
27 in which Defendants had a pecuniary interest.
28

1 84. The misrepresentations made to Plaintiffs included, inter alia, the false and
2 fraudulent statements described above with specificity in this Complaint and incorporated by
3 reference herein.

4 85. Defendants, and each of them, made these representations negligently, and
5 without any reasonable basis for believing them to be true.

6 86. Plaintiffs were ignorant of the truth of the misrepresentations and concealments
7 made by Defendants and in fact justifiably relied on the misrepresentations made by Defendants
8 and each of them.

9 87. As a direct and proximate result of Defendants' misstatements and
10 misrepresentations of material facts, Plaintiffs entered into a written agreement for the purchase
11 of the condominium hotel, with the clear understanding that they only entered into the Purchase
12 Agreement so that they could participate in the TRUMP rental program, and suffered damages as
13 more fully set forth herein above and in an amount to be proved at trial.

14 88. As a result, Plaintiffs are, in the alternative, entitled to rescission of the contract,
15 an accounting, and the return of any and all money or property given, plus interest and expenses.

16
17 **EIGHTH CAUSE OF ACTION**
18 **(Fraud in the Inducement)**

19 89. Plaintiffs reallege and incorporate herein by reference the allegations contained in
20 the preceding and subsequent Paragraphs of this Complaint as though fully set forth herein.
21 Plaintiffs bring this cause of action on behalf of themselves and the Class of similarly situated
22 persons as herein defined.

23 90. Plaintiffs contracted with Defendants and relied upon Defendants to provide their
24 professional expertise and judgment with respect to the purchase of condominium hotel units at
25 TRUMP LAS VEGAS. Defendants utilized an inside and outside sales team in order to make
26 false representations to the Plaintiffs in order to induce their payment of a deposit and their
27 consent to the purchase agreement and future participation in rental management agreement.

1 Both Defendants' inside and outside sales team had knowledge or belief that the representations
2 were false (or knowledge that it had an insufficient basis for making the representations).

3 91. The material omissions and false representations made to Plaintiffs included, *inter*
4 *alia*, the fraudulent statements described with specificity above and incorporated by reference
5 herein.

6 92. Defendants, and each of them, had a duty to disclose the true nature of all known
7 material facts and circumstances surrounding the economic value of the Securities. Defendants
8 had exclusive knowledge of all such material facts and such material facts were not known or
9 reasonably accessible to Plaintiffs.

10 93. The concealment of the true facts from Plaintiffs was done with the intent to
11 induce their consent to enter into the purchase agreement with the expectation that each Plaintiff
12 would enter the Trump rental management agreement.

13 94. Plaintiffs justifiable reliance on statements made by Defendants was justified as
14 Defendants purported to have professional expertise concerning the economic value of the
15 condominium hotel units.

16 95. As a result of Defendants' false representations regarding the true economic value
17 of the condominium hotel units complained of in this complaint, Plaintiffs were unaware of the
18 true nature of the facts concerning the true value of the condominium hotel units as economic
19 investments.

20 96. As a result of the false representations, Plaintiffs entered into a written agreement
21 for the purchase of the condominium hotel, with the clear understanding that they only entered
22 into the Purchase Agreement so that they could participate in the TRUMP rental program, and
23 suffered damages as more fully set forth herein above and in an amount to be proved at trial.

24 97. As a result, Plaintiffs are, in the alternative, entitled to rescission of the contract,
25 an accounting, and the return of any and all money or property given, plus interest and expenses.

26 98. Defendants had actual knowledge of the fact that the representations were in fact
27 false, and for these reasons, and because the conduct by these Defendants was malicious,
28

1 oppressive and/or fraudulent, Plaintiffs are, therefore, entitled to punitive damages to make an
2 example of and to punish these Defendants in addition to actual damages.

3
4 **NINTH CAUSE OF ACTION**
(Fraudulent Concealment)

5 99. Plaintiffs reallege and incorporate herein by reference the allegations contained in
6 the preceding and subsequent Paragraphs of this Complaint as though fully set forth herein.
7 Plaintiffs bring this cause of action on behalf of themselves and the Class of similarly situated
8 persons as herein defined.

9 100. Plaintiffs contracted with Defendants and relied upon Defendants to provide their
10 professional expertise and judgment with respect to the purchase of Securities at TRUMP LAS
11 VEGAS. Defendants utilized an inside and outside sales team in order to sell these units. The
12 teams employed by Defendants concealed and/or suppressed materials facts relating to the true
13 economic value of the condominium units.

14 101. The material facts concealed from Plaintiffs included, inter alia, the fraudulent
15 statements described with specificity above and incorporated by reference herein.

16 102. Defendants concealed and suppressed the material facts regarding the true
17 economic value of such investment from Plaintiffs, despite knowing the true and correct facts
18 regarding the Securities. The misrepresentations were made and the true and correct facts
19 concealed by Defendants in order to intentionally induce the Plaintiffs' consent to purchase the
20 condominium unit and enter into the rental management agreement with Defendants.

21 103. Defendants, and each of them, had a duty to disclose the true nature of all known
22 material facts and circumstances surrounding the rental values, expected rental occupancy rate,
23 and relevant material facts described above and incorporated by reference herein. Defendants
24 had exclusive knowledge of all such material facts and such material facts were not known or
25 reasonably accessible to Plaintiffs.
26
27
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1 104. Plaintiffs' reliance on statements made by Defendants, and each of them, was
2 justified as Defendants purported to have professional expertise concerning the economic value
3 of the condominium hotel units.

4 105. As a result of Defendants' intentional misrepresentation of material facts
5 regarding the true economic value of the condominium hotel units complained of in this
6 complaint, Plaintiffs were unaware of the true nature of the facts concerning the true value of the
7 condominium hotel units as economic investments. Had Plaintiffs been aware of the material
8 facts concealed by Defendants, Plaintiffs would not have entered into any agreements with the
9 Defendants.

10 106. As a result of the concealment alleged, Plaintiffs entered into a written agreement
11 for the purchase of the condominium hotel, with the clear understanding that they only entered
12 into the Purchase Agreement so that they could participate in the TRUMP rental program, and
13 suffered damages as more fully set forth herein above and in an amount to be proved at trial.

14 107. As a result, Plaintiffs are, in the alternative, entitled to rescission of the contract,
15 an accounting, and the return of any and all money or property given, plus interest and expenses.

16 108. Defendants had actual knowledge of the fact that the representations were in fact
17 false, and for these reasons, and because the conduct by these Defendants was malicious,
18 oppressive and/or fraudulent, Plaintiffs are, therefore, entitled to punitive damages to make an
19 example of and to punish these Defendants in addition to actual damages.
20

21 **TENTH CAUSE OF ACTION**
22 **(Violation of Interstate Land Sales Full Disclosure Act (ILSA), 15 U.S.C. § 1703(a)(2))**

23 109. Plaintiffs reallege and incorporate herein by reference the allegations contained in
24 the preceding and subsequent Paragraphs of this Complaint as though fully set forth herein.
25 Plaintiffs bring this cause of action on behalf of themselves and the Class of similarly situated
26 persons as herein defined.

27 110. The Interstate Land Sales Full Disclosure Act ("ILSA"), codified at 15 U.S.C. §
28

1 1701 *et seq.*, was enacted by Congress in 1968 to protect consumers from fraud and abuse in the
2 sale or lease of land. ILSA applies to the sale of condominium units, and is administered by the
3 U.S. Department of Housing and Urban Development.

4 111. ILSA applies to the Purchase Agreements entered into by Plaintiffs for the
5 purchase and sale of SECURITIES in TRUMP LAS VEGAS, which do not fall under any of the
6 exemptions set forth in ILSA.

7 112. Defendants made use of means and instruments of transportation and
8 communication in interstate commerce and of the mails to sell SECURITIES in TRUMP LAS
9 VEGAS in the form of air rights to condominium-hotel room units.

10 113. Pursuant to 15 U.S.C. § 1703(a)(2), it is unlawful for any developer or agent, with
11 respect to the sale or lease of any lot (including a condominium unit) not exempt under ILSA to:
12

- 13 a) employ any device, scheme, or artifice to defraud, 15 U.S.C. §
14 1703(a)(2)(A);
15 b) obtain money or property by means of any true statement of a material
16 fact, or any omission to state a material fact necessary in order to make the
17 statements made (in light of the circumstances in which they were made
18 and within the context of the overall offer and sale or lease) not
19 misleading, with respect to any information pertinent to the lot or
20 subdivision, *id.* § 1703(a)(2)(B); or
21 c) engage in any transaction, practice, or course of business which operates
22 or would operate as a fraud or deceit upon a purchaser, *id.* §
23 1703(a)(2)(C).
24

25 114. The regulations promulgated by HUD under ILSA, which are codified at 24
26 C.F.R. § 1710 *et seq.*, provide further detail as to what constitutes a deceptive or misleading sales
27 practice in contravention of ILSA. For example, 24 C.F.R. § 1715.20(a) provides that, with
28

1 respect to Property Report – the main disclosure document provided to purchasers pursuant to
2 ILSA – no developer may “Give the Property Report to a purchaser along with other materials
3 when done in such a manner as to conceal the Property Report from the purchaser.”

4 115. Furthermore, 24 C.F.R. § 1715.24(h) provides that it is unlawful to “[u]se, as a
5 sales inducement, any representation that any lot has good investment potential or will increase
6 in value unless it can be established, in writing, that:(1) Comparable lots or parcels in the
7 subdivision have, in fact, been resold by their owners on the open market at a profit, or; (2) There
8 is a factual basis for the represented future increase in value and the factual basis is certain, and;
9 (3) The sales price of the offered lot does not already reflect the anticipated increase in value due
10 to any promised facilities or amenities. The burden of establishing the relevancy of any
11 comparable sales and the certainty of the factual basis of the increase in value shall rest upon the
12 developer.”

13 116. The conduct of Defendants, as alleged with particularity in the preceding causes
14 of action, violated 15 U.S.C § 1703(a)(2)(A)-(C) and the pertinent regulations. That is,
15 Defendants violated 15 U.S.C § 1703(a)(2)(A)-(C) in failing to register the offering of
16 SECURITIES, as per the requirements of both federal and Nevada law, and falsely representing
17 that the hotel had good investment potential, without meeting the requirements in 24 C.F.R. §
18 1715(24)(h).
19

20 117. Furthermore, Defendants made material misrepresentations with respect to the
21 size of the hotel and the square footage of the units contained therein.

22 118. During sales presentations conducted to induce individuals to buy the
23 SECURITIES, Defendant distributed “fact sheets” which indicated that the hotel’s studio units
24 would contain 635 square feet. In reality, said units were built to a dimension of 529 square feet.
25

26 119. TRUMP LV was promoted as a 64-story tower. In reality the tower only has 56
27 floors numbered 1-9 and 18-64, which were renumbered by the Defendants so as to confuse the
28 buyers into believing that the floor on which their unit was located corresponded to the number

1 of stories that were advertised. In addition, the Defendants charged a premium price for upper
2 floor units which did not correspond to the number of stories advertised and promoted.

3 120. Defendant also violated ILSA by giving to Plaintiffs and other Class members the
4 Property Report along with other materials in such a manner as to conceal the Property Report
5 from the Plaintiffs and other Class members.

6 121. The foregoing omissions and representations were false at the time they were
7 made, and Defendant knew or should have known them to be false.

8 122. Defendant made use of means and instruments of transportation and
9 communication in interstate commerce and of the mails in making the foregoing omissions and
10 representations.

11 123. Defendant made the foregoing omissions and representations with the intent to
12 induce Plaintiffs, and other members of the Class, to act upon them.

13 124. Plaintiffs, and other members of the Class, were injured by acting in reliance on
14 Defendant's omissions and representations.

15 125. Defendant had actual knowledge of the wrongfulness of its conduct and the high
16 probability that injury or damage to Plaintiffs and other members of the Class would result and,
17 despite that knowledge, intentionally pursued that conduct, resulting in injury or damage to
18 Plaintiffs and other members of the Class. Defendant's conduct was at worst willful, but at the
19 very least so reckless or wanting in care that it constituted a conscious disregard or indifference
20 to the rights of Plaintiffs and other members of the Class.

21
22
23 **REQUEST AND PRAYER FOR RELIEF**

24 **WHEREFORE**, Plaintiffs respectfully request that the Court enter judgment in their
25 favor and against Defendants as follows:
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PRAYER FOR RELIEF

Plaintiffs pray for judgment and relief on behalf of themselves, and on behalf of the Class, and against Defendants as follows:

1. For rescission and restitution as required by law;
 2. For damages according to proof;
 3. For interest on all damages as allowed by the laws of the State of Nevada according to proof at time of trial;
 4. For a temporary restraining order, permanent or temporary prohibitory or mandatory injunction or a writ of prohibition or mandamus;
 5. For the imposition of a civil penalty of not more than \$2,500 for a single violation or \$100,000 for multiple violations in a single proceeding or a series of related proceedings;
 6. For the issuance of a declaratory judgment;
 7. For an order for an accounting;
 8. For an order of punitive damages.
 9. For the appointment of a receiver or conservator for the Defendants' assets;
 10. For an order of payment of the divisions investigative costs;
 11. For an order of such other relief as the court deems just;
 12. For consideration paid for the Securities and interest at the legal rate of Nevada from the date of payment plus all expenses incurred, costs and reasonable attorney's fees, less the amount of income received on the Securities; and
 13. For damages for each Plaintiff who no longer owns the Securities in the amount that would be recoverable upon a tender less the value of the Securities when the Plaintiff disposed of it, plus interest at the legal rate of this State from the date of disposition of the Securities, costs and reasonable attorney's fees determined by the court. Tender requires only
- //
- //
- //

1 notice of willingness to exchange the Securities for the amount specified.

2 Dated: September 22, 2008

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4 By:

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DEMAND FOR JURY TRIAL

Plaintiffs demand jury trial on issues triable to a jury.

Dated: September 22, 2008

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